



Matthews Emerging Markets Equity Fund

June 30, 2020

Investment Objective

Long-term capital appreciation.

Strategy

Under normal circumstances, the Matthews Emerging Markets Equity Fund seeks to achieve its investment objective by investing at least 80% of its net assets, which include borrowings for investment purposes, in the common and preferred stocks of companies located in emerging market countries. Emerging market countries generally include every country in the world except the United States, Australia, Canada, Hong Kong, Israel, Japan, New Zealand, Singapore and most of the countries in Western Europe. Certain emerging market countries may also be classified as “frontier” market countries, which are a subset of emerging market countries with newer or even less developed economies and markets, such as Sri Lanka and Vietnam. The list of emerging market countries and frontier market countries may change from time to time. The Fund may also invest in companies located in developed countries; however, the Fund may not invest in any company located in a developed country if, at the time of purchase, more than 20% of the Fund’s assets are invested in developed market companies.

Risks

Investing in international and emerging markets may involve additional risks, such as social and political instability, market illiquidity, exchange rate fluctuations, a high level of volatility and limited regulation. Additionally, investing in emerging and frontier securities involves greater risks, as these countries are substantially smaller, less liquid and more volatile than securities markets in more developed markets. These and other risks associated with investing in the Fund can be found in the prospectus.

FUND FACTS

	Investor Class	Institutional Class
Ticker	MEGMX	MIEFX
CUSIP	577130651	577130644
Inception	04/30/20	04/30/20
NAV	\$11.67	\$11.67
Initial Investment	\$2,500	\$100,000
Gross Expense Ratio	2.77%	2.57%
Net Expense Ratio ¹	1.15%	0.90%

Portfolio Statistics

Total # of Positions	53
Net Assets	\$9.2 million
Weighted Average Market Cap	\$125.8 billion

Benchmark

MSCI Emerging Markets Index²

INVESTMENT APPROACH

Matthews Asia believes in the long-term growth of Asia, one of the world’s fastest-growing regions. Since 1991, we have focused our efforts and expertise in these countries, investing through a variety of market environments. Matthews Asia is the largest dedicated Asia-only investment specialist in the United States. With \$22.0 billion in assets under management as of June 30, 2020 Matthews Asia employs a bottom-up, fundamental investment philosophy with a focus on long-term investment performance.

PERFORMANCE AS OF JUNE 30, 2020

	Average Annual Total Returns							Since Inception	Since Inception
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years			
Investor Class	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.70%	04/30/20	
Institutional Class	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.70%	04/30/20	
MSCI Emerging Markets Index	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.25%	n.a.	

Values are in US\$. Source: BNY Mellon Investment Servicing (US) Inc.

- After contractual fee waiver, expense reimbursement and/or recoupment effective through April 30, 2021.
- The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index of the stock markets of Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

Performance assumes reinvestment of all dividends and/or distributions before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund’s fees and expenses had not been waived. For the Fund’s most recent month-end performance visit matthewsasia.com.

Due to current market volatility associated with the COVID-19 pandemic, funds may experience significant negative short-term performance.

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TOP TEN HOLDINGS³

	Country	% of Net Assets
Alibaba Group Holding, Ltd.	China/Hong Kong	6.8%
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	4.6%
Tencent Holdings, Ltd.	China/Hong Kong	4.3%
Samsung Electronics Co., Ltd., Pfd.	South Korea	3.6%
AIA Group, Ltd.	China/Hong Kong	3.3%
Wuxi Biologics Cayman, Inc.	China/Hong Kong	2.2%
LVMH Moët Hennessy Louis Vuitton SE	France	2.2%
NAVER Corp.	South Korea	2.2%
Kotak Mahindra Bank, Ltd.	India	2.2%
Banco BTG Pactual SA	Brazil	2.2%
% OF ASSETS IN TOP TEN		33.6%

COUNTRY ALLOCATION (%)⁴

	Fund	Benchmark	Difference
China/Hong Kong	32.2	42.4	-10.2
South Korea	9.9	11.6	-1.7
India	7.7	8.0	-0.3
Brazil	7.1	5.1	2.0
Russia	7.0	3.2	3.8
Taiwan	5.9	12.2	-6.3
Mexico	3.9	1.7	2.2
France	3.8	0.0	3.8
Singapore	3.1	0.0	3.1
Philippines	3.0	0.8	2.2
Poland	2.0	0.7	1.3
United Kingdom	1.7	0.0	1.7
Indonesia	1.6	1.5	0.1
Argentina	1.6	0.1	1.5
United States	1.3	0.0	1.3
Canada	1.1	0.0	1.1
Vietnam	1.0	0.0	1.0
Saudi Arabia	0.0	2.7	-2.7
South Africa	0.0	2.4	-2.4
Thailand	0.0	2.3	-2.3
Malaysia	0.0	1.8	-1.8
Qatar	0.0	0.8	-0.8
Chile	0.0	0.6	-0.6
Other*	0.0	1.9	-1.9

Cash and Other Assets, Less Liabilities 6.1 0.0 6.1

Not all countries are included in the benchmark index.

Source: FactSet Research Systems

MARKET CAP EXPOSURE (%)^{4,5}

	Fund	Benchmark	Difference
Mega Cap (over \$25B)	49.4	53.6	-4.2
Large Cap (\$10B-\$25B)	18.6	20.3	-1.7
Mid Cap (\$3B-\$10B)	17.7	21.8	-4.1
Small Cap (under \$3B)	8.2	4.2	4.0
Cash and Other Assets, Less Liabilities	6.1	0.0	6.1

Source: FactSet Research Systems

SECTOR ALLOCATION (%)⁴

	Fund	Benchmark	Difference
Information Technology	17.5	16.9	0.6
Consumer Discretionary	15.0	17.4	-2.4
Financials	13.9	19.1	-5.2
Communication Services	13.5	13.5	0.0
Health Care	9.0	4.3	4.7
Consumer Staples	8.8	6.5	2.3
Energy	5.9	5.9	0.0
Materials	3.7	6.9	-3.2
Real Estate	3.4	2.6	0.8
Industrials	3.2	4.7	-1.5
Utilities	0.0	2.3	-2.3
Cash and Other Assets, Less Liabilities	6.1	0.0	6.1

Sector data based on MSCI's revised Global Industry Classification Standards. For more details, visit www.msci.com.

Source: FactSet Research Systems

P/E RATIOS⁶

P/E Using FY1 Estimates	22.7x
P/E Using FY2 Estimates	17.6x

Source: FactSet Research Systems (P/E est. as of 06/30/20)

PORTFOLIO MANAGEMENT*

John Paul Lech

Lead Manager

*Effective August 31, 2020.

Portfolio characteristics for the Fund may vary from time to time from what is shown. It should not be assumed that any investment in the securities listed was or will be profitable.

You should carefully consider the investment objectives, risks, charges and expenses of the Matthews Asia Funds before making an investment decision. A prospectus or summary prospectus with this and other information about the Funds may be obtained by visiting matthewsasiasia.com. Please read the prospectus carefully before investing as it explains the risks associated with investing in international and emerging markets.

Matthews Asia is the brand for Matthews International Capital Management, LLC and its direct and indirect subsidiaries.

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Matthews International Capital Management, LLC is the advisor to the Matthews Asia Funds.

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*Other includes the following allocation for the Benchmark: Colombia, 0.2%; Czech Republic, 0.1%; Egypt, 0.1%; Greece, 0.1%; Hungary, 0.2%; Peru, 0.2%; Turkey, 0.5%; United Arab Emirates, 0.5%.

³ Holdings may combine more than one security from the same issuer and related depository receipts.

⁴ Percentage values in data are rounded to the nearest tenth of one percent; the values may not sum to 100% due to rounding. Percentage values may be derived from different data sources and may not be consistent with other Fund literature.

⁵ Equity market cap of issuer.

⁶ The P/E figures represent the Weighted Harmonic Average P/E—which measures the price/earnings ratio of the Fund's entire portfolio, excluding negative earners—weighted by the size of the company's position within the portfolio. P/E estimates are forward looking. There is no guarantee that portfolio composition will remain unchanged or P/E estimates will be realized.



Matthews Asia

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